Previous

5. App F IX-4

1933-34
(mk

File No 175-33
Serial Nos. 3 to 6
including 4

Previous References
mk 80-31-6-8
" 175-33-182
" 301-29-6

Later References

GENERAL AND REVENUE SECRETARIAT.

Serial Nos ~~3~~ 4 Price

Part B for September 34

SUBJECT.

Sanctions the grant of a further loan Rs 88,000 to the Mysore city Municipality and extends the period of repayment of the loan granted for tarring the roads from 10 to 15 y

To Presidt, city mcl, Mysore
& Comptr Asst Secrett

No. L 1825-6
dt 13-9-34

WD 01965—GPB—15 000—7-7-34

mk 27-10-34

No. GJT 2393
E 1

Ml 175-33-3

Office of the President,
City Municipal Council, Mysore.
Dated 25th June 1934.
26 JUNE 1934

6119

FROM

B. T. KESAVAIENGAR, ESQ., B.A.,

President, City Municipal Council,

MYSORE

TO

The Chief Secretary to the Government
of His Highness the Maharaja of Mysore,
Bangalore.

Sir,

With reference to your letter No.L.4312/M1 175-33-2 dated 21/22nd December 1933 stating that the proposal of the Municipal Council to consolidate all the existing loans sanctioned by Government to the Municipality into a single loan at the current rate of interest and to extend the period of repayment to 15 years cannot be accepted, I have the honour to state that considering the present finances of the Municipality, it is not possible to bear the heavy rate of interest or even to repay the loan within the stipulated period. It was this difficulty that compelled the Municipal Council to approach Government with a request to consolidate all the loans to a single one at the current rate of interest repayable in 15 years. The letter referred to above was placed before the Council at their meeting dated 28th March 1934 and it was resolved that the Government be requested either to permit the Municipal Council to raise a loan in the open market at a cheaper rate of interest of a sum sufficient to repay all outstanding loans of Government, or the Government themselves be pleased to reconsider their decisions regarding the consolidation of loans at a cheaper rate of interest.

A copy of the Council's Resolution is sent herewith for favour of re-consideration by Government.

I have the honour to be,

Sir,
Your most obedient servant,

President.

PVR.

Proceedings of the 22nd (An Ordinary) meeting of the Mysore City Municipal Council held in theCouncil Chambers on Wednesday the 28th March 1934 at 4 P.M.

Present.

B F.Kesava Iyengar, Esq., B.A.,President

1. Mohamed Sait, Esq., Vice-President.
2. Rao Sahib M.Ramaswamy, Esq.,
3. C.Narasimhiah, Esq., B A ,B.L.,
4. S.Krishnaswami Rao, Esq., B.A ,LL.B.,
5. A.Krishna Rao, Esq., B A.,B L.,
6 M.C Thammiah, Esq.,
7. U.L.Ramachandra Rao, Esq.,
8. H C.Dasappa, Esq.,B.A.,LL B.,
9. W H.Theobald, Esq.,
10 T.Mariyappa, Esq., B.A ,LL.B.,
11 M.Shankariah, Esq., B A.,LL B.,
12 Mahamed Ghouse Peer, Esq.,
13 A.J.Ram, Esq.,
14 Y.Virupakshiah, Esq.,
15 Hussain Ali, Esq.,
16 V T.Arumuga Mudali r, Esq.,
17 Rev G W Sawday
18 G.Ahmad Khan, Esq.
19 Mahomed Vahiullah Esq., B A.,LL.B.,
20 Madhava RaoPowar, Esq.,
21 B.L Naridandiah, Esq.,
22 A.Venkatesiah, Esq.,B.A.,LL B.,

Absent.

1. M.K.Krishna Rao, Esq.,
2. P Sitharamiah, Esq., B.A.,B.L.,
3. K.N.Venkatakrishniah, Esq , B A.,
4. V.Lingappiah, Esq., B A.,LL.B.,
5 A.R.Srikanta Sarma, Esq.,
6 D.B.Viswambharaiah, Esq.,
7. K Dhanakoti Chetty, Esq.,

x x x

392. Letter No.L.4312/M1.175-33-2 dated 21/22nd December 1933 from Chief Secretary to Government, stating that the proposals of the Municipal Council to consolidate all the existing loans sanctioned by Government to the Municipality into a single loan at the current rate o interests and to extend the period of repayment to 15 years cannot be accepted.

Resolution- Resolved that Government be requested either to permit the Municipal Council to raise a loan in the open market at cheap rates of interest of a sum sufficient to repay all outsta loans of Government or the Government themselves be pleased to reconsider their decision regarding the consolidation of loans at a cheaper rate of interest.

x x x

Sd/-B.F.Kesava Iyengar,
President.

"Copy"

President.

Serial No

Fl 23

4 Regarding the consolidation of the existing loans into a single loan on a lower rate of interest, my opinion in paras 24 to 32 of the notes in Ml. File 175-33-2 still stands The extension of period of repayment will give them some relief, and may be allowed, if they wish to avail themselves of such a concession

5 I have no objection to the Municipality being permitted to raise a loan from the public if it could do so, without Government Guarantee and if it will not ask for a loan from Government in futur

6 I may however point out that if a loan had been taken from the Public for a specified period and at a specified rate of interest, the Municipality could not have paid away the creditors earlier than the due date or reduced the stipulated rate of interest as they now wish the Government to agree to in the case of Government Loan. The reduction in the rate of interest is asked for on the ground that the Municipality is unable to pay the agreed rate It is the duty of the Municipality to put its finance in a proper condition and be in a position to meet all its contractual and other obligations and unable they cannot be accepted as a valid excuse for non-performance of contractual obligations. 25/7

25/7/34

NOTE—Contn Sheet

WD 01536—GPB—7,500—5-4-34

3

6.119 Rev

File No 175 of 1983-34

desirable to ask the Prest to come over to Bangalore and have a talk with him on the matter. It does not seem to be quite safe to permit the municipality to raise a loan in the market. I am somewhat about their ability to repay.

Dewan

RG
26/7/34

Dy Auditor's Office
27 JULY 1934
No 4839

8) Yr. Petition was taken up for discussion at the meeting of the Mangalore Municipality held on the 23rd inst. The Chairman of the Mangalore Municipality has been requested to submit a detailed report on the matter.

27-7-34

9 Please write to the President

RG
28/7/34

10) Submitted with a draft for approval

28-7-34

Issue the letter

31/7

After the issue, please remind the Comptroller's Office again informally for expediting the submission of the Budget Estimates of the Mcc for 1934-35

31/7

Issued vide 766 of 1/8/34 to B. J. Kesava Rao Esq

Requests him to go to Bangalore and discuss the matter with the Chairman

Typing Section
31 JUL 1934
Gen'l Cott

F 305

Loan instalments due by the Mysore City Municipality

L 218

5

General and Revenue Secretariat | File No 175 of 1934 | [App F III—2

Serial No 1.

Letter no. H-J 94 dated 13th July 34 from the President City Municipal Mysore stating that a sum of Rs 71,777/- in all was due for payment on 30-6-34 towards the loan instalment and the interest on the amounts lent to the Municipality by Govt and out of this a sum of Rs 27,692½ representing interest was credited to the Mysore Dist Treasury on 30/6/34 and the balance was not adjusted as there was no cash balance, to meet the liability and requesting that under the existing financial concession the Municipality sanction to the resolution to treat the amount of Rs 43,085 due on 30-6-34 and a further sum of Rs 44,665 payable on 30-6-35 as fresh loans carrying interest at 5% per cent from 1-7-34 and 1-7-35 respectively and repayable in ten equated annual payments

1 Submitted for orders. The financial year was if approved be converted.

6119

20/7/34 AM 20/7

2 The files relating (1) to the request of the Mcp for the consolidation of the loans & (2) to the proposal for payment of the Water arrears & Supply Maintenance charges in instalments may be perused for ref

AM 20/7

The file re consolidation of loans was sent to the Finance Secy, and this one has been referred solely to the Director of Health

NOTE—Contn Sheet

20/7 PS 20/7

WD 0 955—GPE—22 500—12-6 34

b

General and [illegible] Secretariat

of 1933-34

File No 175

The Fin' Secy may be requested
on the proposals contained in the penultimate
para of the Hon'ble Leader, viz (1) to Defer
repayment of the Loan instalments due on
30-6-1934 & 30-6-1935 & (2) to treat the
amounts due, viz Rs 43085 & Rs 44,665 as
fresh loans repayable in ten equated annual payments
at 5% interest. (The Budget Estimate of this for 1934-35
are under Scrutiny by the Comptroller)
Chief Secy

30/7

CHIEF SECRETARY'S
U JULY 1934

please speak to me —

RL
31/7/34

I think the B T Ic has been
asked to discuss certain items with me &
the Fin Sy then may be included
in the discussion.

RL
31/7/34.

please note
I have spoken with
the Chief Sec
who wanted
the Fin Sy also
to be there

JM
31/7

JM
31/7

~~Loan~~ Grant of a fresh loan to the Mysore City Municipality

General and Revenue Secretariat — File No 216 I 175 of 1933 — [App F III—

Serial No

The whole question was discussed yesterday by Mr B T Kesavamurthy with the Chief Secretary and the Fin' Secretary, and the following conclusions were arrived at —

(I) That a fresh loan of Rs 88 000 be given by Govt to the Mcty for adjustment of the loan instalments Due by the latter falling for the years 1933-34 and 1934-35 The loan to be repayable in ten years and carry interest at 5½ %. (Mr Kesavamurthy want the rate to be fixed at 5%)

1933-34 - Rs 43,085
1934-35 - Rs 44,665
87750

(II) That the period of the two loans taken by the Mcty for tarring roads, viz Rs 2,00,000 and Rs 50,000, be extended from 10 to 15 years the rate of interest remaining the same, viz 6%. (Mr Kesavamurthy wants the rate to be reduced to 5½ %)

(III) That in view of the above, the other loans taken by the Mcty may remain as at present as there is no need for consolidating all the loans as originally proposed by the Mcty.

Adopt G.O sanctioning the above arrangements is submitted for consideration

Chief Secy) 15/8

This is Council matter (clause XIX of Schedule)

Please put up after My return,

16/8 17/8

NOTE—Contn Sheet

WD 0'955—GPB—22 500—12-6 34

6

7

982

Jud File No 175 of 1933-34 General and Secretariat

DEWAN'S OFFICE
24 AUG 1934
No. 982

This matter was discussed at a meeting of the Press. the file by myself the decision is embodied in the draft Memo in appendix. This seems the minimum to safeguard the Govt interest.

RR
20/8/34

Dewan
Hon'ble
Finance

FR 367/20-8-34

M
21/8

SB
22/8/34

M
24-8-34

CS. Memo Circular is enclosed

RR
25/8/34

For Disposal by Circulation 218/8 No C 61

of 1934-5

GENERAL AND REVENUE SECRETARIAT

Council Matter

Subject

Proposal to grant to the Mysore City Municipality a loan of Rs.88,000/- at 5½% repayable in 10 years, and to extend the period of repayment of the loans for tarring roads already sanctioned, from 10 years to 15 years.

Circulated to the Members of Council

By Order,
R Ranga Rao
Chief Secretary to Government

25th August 1934

1544/2718 First Member of Council 27/8/34

427/2946 Second Member of Council 28/8

A/S Cd-5-97

RR 28/8/34

Please pursue DSN 29/8

218 10

Grant of a fresh loan to the Mysore City mc.

General and Revenue Secretariat — File No 175-218 of 1933 — [App F III—2]

Serial No

TYPING SECTION 31 AUG 1934 GENL & REV SECTT

Typ'd See to C NM 31/8/34

CHIEF SECRETARY 1 SEP 1934

REVENUE OFFICE 1 SEPT 1934 No 1104

S. S. N. submd,

MB 31/8 NM 31/8/34

Please get the draft typed AM 31/8

Typed draft submd,

MB 31/8

chiefsecy) AM 31/8

Dewan

R2 1/9/34 AM 1/9

M 1/9

NOTE—Contn Sheet

WD 01536—GPB—7 500—5 4 34

Submitted to His Highness

Subject:- Proposal to grant to the Mysore City Municipality a further loan of Rs.88,000/- at 5½% repayable in 10 years, and to extend the period of repayment of the loans for tarring roads already sanctioned, from 10 years to 15 years.

Loans amounting to Rs.6,25,000/- in all, given out of State Funds to the Mysore City Municipality for improvement works in the City are outstanding against the Municipal Council. As the amount payable annually towards the repayment of these loans formed an appreciable part of the normal revenues of the Municipal Council the Municipality represented to Government in August 1933 that all the loans, exclusive of the loan of Rs.1,00,000/- sanctioned on 8th July 1933 for the improvement of water supply, be consolidated into a single loan repayable in 15 years and carrying a low rate of interest. The request was negatived, as Government considered it inexpedient to reduce the rates of interest already accepted since they themselves were paying comparatively high rates of interest on the loans raised by them.

The Municipal Council thereupon requested that as it was finding it difficult to balance its budget, while keeping up the prescribed balance in the Treasury, recovery of the loan instalments amounting to Rs.43,085/- and Rs.44,665/- respectively, payable during 1933-34 and 1934-35, be deferred, the two sums being treated as fresh loans carrying interest at 5% and repayable in 10 equated annual instalments.

The matter was discussed at a meeting of the Municipal President, the Financial Secretary and the Chief Secretary and the following conclusions were arrived at.-

(i) That a fresh loan of Rs.88,000/- be given by Government to the Municipal Council for adjustment of the loan instalments due by the latter for the years 1933-34 and 1934-35, the loan to be repayable in 10 years and carrying interest at 5½%.

(ii) That the period of the two loans taken by the Municipality

Submitted to H H (contd)

12

for tarring roads, viz., Rs.2,00,000/- and Rs.50,000/- be extended from 10 to 15 years.

The above arrangements have been agreed to by the First and Second Members of Council and may be graciously approved.

Mirza M Ismail

DEWAN.

Bangalore,
2nd September 1934.

Ml 175-33-6

GOVERNMENT OF HIS HIGHNESS THE MAHARAJA OF MYSORE

1819

L. S. G. Br.

Comptroller's Office, Bangalore,

No. Loans 343.

Dated the 23rd October 193[illegible]

REV SEC

To

The Chief Secretary to the Government of Mysore,
Bangalore.

Sir,

Adverting to Government Order No.L.1825-6/Ml.175-33-5 dated 11th September 34, sanctioning a loan of Rs.88,000/- to Mysore City Municipal Council, I have the honour to forward herewith for information of Government a copy of this office letter No.341/Loans dated 19-10-34 to the President, City Municipal Council, Mysore, and to state that the exact amount to be treated as loan is Rs.71,793-14-6 as against loan of Rs.88,000/- sanctioned by Government.

I have the honour to be,
Sir,
Your most obedient [illegible]nt

[illegible] Comptroller.

Submitted for perusal

No action is necessary here, unless
any note is read from the file in the matter

U.

Record of Cases submitted for the Orders of His Highness the Maharaja.

Subject.

Grant of a further loan of Rs.88,000/- to the Mysore City Municipality and extension of the period of repayment of the loans sanctioned for tarring the roads from 10 to 15 years.

C Secy
M
7-9-34

Rr
7/9/34 124

Order.

~~KRW~~
5/9/34

61/14

General and Revenue
Secretariat

Grant of a further loan of Rs 88,000/- to the Mysore City Municipality and extension of the period of repayment of the loans sanctioned for taking the roads from 10 to 15 years

( )

31 All urgent or confidential files returned with His Highnes orders may in the absence of instructions or indi cations to the contrary be ordinarily circulated to the Members of Council for perusal after the issue of orders

33 The Se retaries concerned should see that orders in the cases re ferred to above are issued at once and that the files are returned immediately after to the Chief Secretary for circu lation to the Members

34 In all other cases the files will first be circulated to the Memb rs of Council at Head quarters and then sent to the Secretariat concerned for the issue of orders

Circulated to Members of Council for perusal of His Highness' orders before/after issue of orders (*Vide Rules* 31, 33 and 34 of the Subsidiary Rules for the conduct of business of Council in the Manual of Council Rules and Procedure)

R Rangaiah
Chief Secretary to Government

Through the Secretary to Government

Department

1852
7/9

FIRST MEMBER OF COUNCIL

7/9/18

1803
7/9

SECOND MEMBER OF COUNCIL

A/S (L.S.G.)

7/9

RR
8/9/34

NOTE —Contn sheet

218/1 218/2 15

General and Revenue Secretariat — File No 175 of 1933-34 — [App F III—2

Serial No	
	An addrss is made to the Draft as para 4 the Jnl Secy stated some days ago that some such addrss maybe made. Hqrs, the Draft will be revised with the addrss (Chief Secy) for Secy
	Draft Hqrs Secy.
	Issue 11.9.34
5	Issued vide 1825-6 of 13/9/34. Govt. Pakistan etc meet expenses temporarily launching a loan of Rs 80 crs subject to certain conditions

CHIEF SECRETARY 10 SEP 1934

TYPING GEN'L & R... SECTT 10 SEP 1934 4-25 P.M.

NOTE—Contn Sheet

WD 0'955—GPB—22 500—12-6 34

File No. of 193

GENERAL AND REVENUE SECRETARIAT

D O No 2766/Rl 175-33-4 Dated, Bangalore, 31st July 1934.

Dear Sir,

With reference to your letter No.G.T.2393 dated 26th June 1934, requesting that the Municipal Counci may be permitted to raise a loan in the open market of a sum sufficient to repay all outstanding loans o Government etc., I am desired to request you to go over to Bangalore and discuss the matter with the Chief Secretary and the Financial Secretary.

Yours sincerely,

Asst. Secy.

B.T.Kesava Iyengar, Esq., B.A.,
President, City Municipal Council,
M y s o r e.

Appendix F G—1]

SUBJECT

17

Section ml

File No 175-33

Serial No 4

Diary No. of letter replied to L6119

No L 766.

To DO

~~The President~~

~~City Mal Mysore~~

General and Revenue Secretariat

( )

the *193*

Dear Sir.

With reference to your letter no. G.T. 2393 dated 26th June 1934, requesting that the mal may be permitted to raise a loan in the open market at ~~a cheaper rate of~~ ~~interest~~ of a sum sufficient to repay all outstanding loans of Government, I am directed to request you to ~~make~~ arrange to go over to Bangalore and discuss the matter ~~with~~ personally.

Yours truly

~~for chief secy to Govt~~

Date of issue 1-8-34

Signed by Dr. A.S. Rao

List of enclosures

Copied by WDS 1/7

Examined by with the chief secy and the Fin Secy.

WD 01966—GPB—22,500—12-6-34

Dr 31/7

B.T. to see yesterday BT President, City Mal. Mysore

MV 31/7

Office of the President,
City Municipal Council, Mysore.
Dated 12th July 1934.
13 JULY 1934

218

B.T.Kesava Iyengar, Esq., B.A.,
President, City Municipal Council,
Mysore.

To

The Chief Secretary to the Government
of His Highness the Maharaja of Mysore,
Bangalore.

Sir,

I have the honour to state that a sum of Rs.71,777 in all was due for payment on 30-6-1934 towards the loan instalment and the interest on the amounts lent to the Municipality by Government. Of this amount, a sum of Rs.27,692, representing interest was credited to the Mysore District Treasury on that date The balance of Rs.43,085 being the loan instalment was not adjusted, as there was no cash balance sufficient to meet this liability. The revised estimates for 33-34 which were based on the actuals for 10½ months worked up to a deficit of Rs.48,265/- due to heavy fall under receipts as compared with the sanctioned Budget for that year. Under Rule 20 of M.A.M a minimum balance of Rs.20,000 should be kept at the close of the year. Taking these two items into account, the amount required at the end of the year was Rs.68,265. In the absence of any accumulated savings with which to meet the above amount, the only course open was to put off some payments. Accordingly the loan instalment, work bills etc., to an aggregate amount of about Rs.66,000 were not met on that day. In fact the payments were so adjusted that there remained a cash on hand of Rs.19,137 at the close of the official year, so that there might be a working balance enough to meet payments on account of salary, establishment and urgent contingent charges till the 10th of July 1934. The bills which were not discharged on the 30th June will be paid after the 10th of the current month. But I fear, it will not be possible to discharge now the outstanding loan amount a. the Budget for this year which has

taking into account the amounts payable to Government the outstandings under water supply charges alone comes to Rs.1,54,000, has also resulted in a big deficit of Rs.2,02,200 taking into account the opening balance as per the revised estimate of 33-34. The question as to how best to meet the deficit and see that the normal income is within the normal expenditure is engaging my serious attention.

So far as the loan instalments are concerned the Council have resolved at a meeting held on 17-6-1934 that the Government be requested to defer the recovery of the instalment due in 33-34 and the next year and to treat the total amount payable as a fresh loan carrying a lower rate of interest. A copy of the resolution is enclosed. A sum of Rs.43,085 was due for payment on 30-6-1934 and a further sum of Rs.44,665/- becomes payable on 30-6-1934. I request that sanction of Government may be obtained to treat these two sums as fresh loans carrying interest at 5 per cent from 1-7-1934 and 1-7-1935 respectively and repayable in ten equated annual payments.

I am submitting herewith a note relating to the above subject which was read before the Council at its meeting held on 17-6-1934 to consider the Budget.

I have the honour to be,

Sir,

Your most obedient servant,

President.

PVR.

[redacted] City Municipal

[redacted] June 1934 to 17th June 1934

x x x

[redacted]

[redacted]

[redacted] Consideration of the draft budget estimates of the - - [redacted]ipality for 1934-35 as passed by the Managing Committee.

x x x

"IV Resolved that the Government be requested to defer recovery of loan instalments this year and next year and permit the Municipality to raise a fresh loan at a lower rate of interest to meet the loan instalments and extend the period of repayment to ten years, a provision of Rs.7,000 being made for repayment each year" x x x"

x x x

Sd.B.T.Kesavaiengar,
President

"Copy"

President

GVN

MYSORE CITY MUNICIPALITY

Note dated 8-6-1934

20

From the last but one para of the Memorandum accompanying the Budget Estimates for 1934-35, it will be observed that the expenditure will be in excess of the receipt by about Rs.80,000 in the course of the next few years and in the last para I have indicated that with a view to balance the Budget, action has to be taken to retrench expenditure as also find out additional sources of income.

2. A special committee has been formed to find out how far retrenchment in expenditure could be effected. This committee has not yet completed its labours and its report is awaited.

3. I fear that only a very little portion of this sum of Rs.80,000 can be met by cutting down expenditure. A major portion of it has to be found by adopting measures to improve the revenues under certain items of Municipal taxation. I am therefore placing before the Council, the following proposals

1) To raise the flat rate on water by 50 per cent. The present demand on account of domestic connections is about Rs.36,000 per year. The enhancement of flat rate is proposed for reasons noted below - The present expenditure on "Water Supply" is nearly Rs.1,17,200 as noted in the margin As the supply of water is not adequate, proposals are being worked out to improve the head costs as well as the distribution system The work has already been taken up and it is likely after this is completed, the maintenance charges will be higher due to excess of power consumption etc. - The increase under this item may be roughly estimated at Rs.20,000. Added to this Rs.7,000 becomes payable towards interest on the loan of Rs.1,50,000 relating to this scheme (The interest charges vary every year, but it is taken at Rs.7,000). Taking these items also into account, the aggregate expenditure on water supply account will be about Rs.1,44,200 As against this, the amount realised in the shape of water rate, flat rate and water charges is Rs.1,14,000 as detailed below -

1) 2/3 of Annual maintenance estimates.	1,05,000
2) Submains	10,000
3) Collection staff	2,000
Total	1,17,200

a)	Water rate	33,000	
b)	Flat "	36,000	
c)	Water charges	45,000	(Metered buildings)
	Total	1,14,000	

21

A portion of the excess expenditure is therefore proposed to be met by enhancing the flat rate. The only other alternative would be to raise the general water tax by 1½% which would then amount to 4½% of the rental value of buildings and which would yield about Rs.18,000. One of the two alternatives is therefore recommended for consideration.

ii) The Registration fee on motor cars, lorries etc. excluding motor cycles on which the recovery at present is at an uniform rate of Rs.30, may be raised as noted below. The additional income from this source is expected to be about Rs.5,000 It may be added that the Bangalore City Municipal Council have approved of the levy at these rates in that city and the proposal is now before Government for sanction.

a)	Motor cars of 15 cwts. or above	at Rs.40	per annum
b)	" " under 15 cwts.	" 30	" "
c)	Motor lorries and buses irrespective of their weight.	60	" "

iii) The amount now reliased on account of tobacco license fees is about Rs.1,100 per year by levying a fee @ Rs.5 each from wholesale dealers and @ Rupee one each from retail merchants. About Rs.2,100 or 2,000 more is likely to be realised if the fee is recovered ~~as~~ at rates noted below -

1)	Wholesale dealers @ Rs.25 each	Rs.150
2)	Manufacturers of tobacco in any form @ Rs.10 each.	" 900
3)	Retail dealers of tobacco in any form by directly importing it from outside @ Rs.5 each.	" 250
4)	Retail dealers by purchasing the same from dealers under 1 to 3 above @ Rs.2 each	" 1800
5)	Street hawkers @ Re.1 each	" 20
	Total	" 3120

iv) There are in all 442 stalls in Devaraj Market The total monthly demand is Rs.3,100 The rate(rent) was fixed in 1922 The ~~total monthly demand~~ trade conditions have altered very much since then and the market area particularly that facing the Sayaji Rao Road, has become an important business centre. Every year improvements are being effected in this area. It is necessary to increase

the rents to a slightly extent, so that at least Rs.300 per month extra may be realised. This will give us an additional revenue of Rs.3,600 per year, even making allowances for shops that may remain vacant.

v) The above items, if sanctioned, may fetch about Rs.2,86,000 Rs.28,600 of additional income. This will not go a long way to meet the excess required. There will be even then an uncovered deficit of nearly Rs.40,000, taking into account retrenchments that may be proposed by the committee. I cannot think of any other source from which this amount could be realised, except to place before the Council for reconsideration my original proposal to levy Octroi on additional articles which would bring a revenue of Rs.50,000 per year.

In the Bangalore City Municipality Octroi is levied on horse gram @ one rupee per cent ad valorem The question of introducing this duty here also may be considered. If the increase in Octroi is not accepted, the question of introducing profession tax will have to be considered, but it is doubtful if from this source, the realisations will be as much as from Octroi, apart from the consideration that this will be a direct tax and will affect the busines people in the city to a greater extent than indirect taxation It is estimated that the income from this source may not exceed Rs.25,000.

The above proposals are in regard to the question of making up the excess expenditure in the next few years. The immediate problem is as to how to meet the deficits in the current and next years. As per estimates the amount will be about Rs.48,265 at the end of this year and 2,16,309 at the end of 1934-35. The Budget of next year includes a total sum of Rs.1,54,000 payable to Government account on account of arrears for water supply A separate reference has been made to Government to waive a portion of the water supply charges to the extent of nearly Rs.80,000. as such charges were in excess of the Budget provision made by the Municipality at the instance of the Water Supply Department.

Taking this sum into account, the net balance payable works upto about Ps.~~74,000~~ 72000 and Government may be requested to treat this as an advance to Municipality repayable in 10 yearly instalments, - carrying no interest.

The Budget includes a sum of Rs.4,000 being the unspent balance relating to Town Hall, to be credited to the funds of the Town Hall. This may be deferred for the present.

A sum of Rs.43,085 has been provided in the current year towards repayment of the instalment of loans outstanding. The amount provided for next year on this account is Rs.44,665. It would not be possible to pay the instalment due this year, for want of funds On account of the deficit, repayment of the full amount provided for next year is also not possible. My suggestion is that Government may be requested to treat the loan instalment of this year, viz., Rs.43,000 and Rs.32,000 out of the demand for 1934-35, as fresh loans carrying interest @ 5% repayable in 10 yearly instalments. The net result of the above proposal will be that there will be a plus balance of Rs.17,000 at the close of 34-35, against the deficit of Rs.2,16,000. The excess will go to cover the prescribed minimum balance of Rs.20,000. A study of the figures relating to the income and expenditure of the Municipality from 1929-30 discloses that the estimated income was not realised in any one of these years and amounts due to Government were postponed from year to year. Just for the information of the Council, I have noted below the liabilities that were outstanding at the close of each of these years the Closing Balance

Years	Closing balance	Liability	Remarks
1929-30	26,900	60,770	Of this water supply is 31285
1930-31	70,180 *	86,608	" " 51658
1931-32	42,000	94,514	" " 70000
1932-33	27,400	1,43,467	" "128036

*Out of the loan of Rs.1,00,000 for tarring only, Rs.37000 were spent for tarring & this accounts for the heavy cash balance

It would be seen from this that the era of Budget deficits did not begin this year and the expenditure has been in excess of the income for the past few years and immediate steps have to be taken to improve the revenue For, there cannot be much curtailment in expenditure as provision is made in the Budget for only essential items.

items. No account is taken here of money required for expansion of the primary education and the recurring expenditure of between Rs.5,000 to 10,000 that has to be incurred once in 4 years in connection with the Viceregal visit.

President

GVR

G R S App F VI—G 2]

SUBJECT

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DLB

Diary No of letter replied to L 218

Section Mul

File No 175-33

Serial No. 5

General and Revenue Secretariat

( )

the *193*

Proceedings of the Government of His Highness the Maharaja of Mysore

Date of issue 11/9/ 1934

P u-d-I

Signed by Mr A. Subba Rao,

Read— Correspondence ending with letter no Ls D-20393 dated 26-6-34 from the President, City Mcl Mysore, requesting reconsideration of the order of Government declining to consolidate all loans taken ~~Order thereon No~~ by the Municipality from Govt into a single loan at a cheaper rate of interest.

2) Letter no Ls D-94 dated 13-7-34 from the same officer requesting that, for reasons stated, Govt may sanction a fresh loan, for adjusting

P u-d II

May this be—

(i) printed ?

(ii) treated as a standing order ?

(iii) published in the Gazette, English part ?

(iv) translated ?

(v) placed at the disposal of the press ?

(vi) published in the Gazette, kannada part ?

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the loan instalments of Rs 43085 and Rs 44,665 due by the municipality for the years 1933-34 and 1934-35

Order. L. 1825-6 9 11/9/34

On a careful re-consideration of the points urged by the mbel, Government are pleased to order as follows

(i) That a fresh loan of Rs 88000/- be given by Govt to the municipality for adjusting the loan instalments due to Govt by the municipality for the years 1933-34 and 1934-35, the loan carrying interest at 5½ p.c. and being repayable in 10 years

(ii) That the periods of repayment of the loans for having roads viz Rs 2,00,000/- and Rs 50,000/- sanctioned in Go. no L7631-2 mbl 301-29-6 of 22/4/30 and no 8491-2 mbl 80-31-8 dated 28/6/32 ✓

List of Enclosure

Copied by

Examined by

WD 0254—GPB—10,000—22-8 32

G R S App F G 3

GENERAL AND REVENUE SECRETARIAT

(Continuation sheet draft form)

respectively, be extended from 10 to 15 years, ~~the rate of interest remaining the same~~ (vii) ~~(vi)~~ Reference (iii) That in view of the above, there is no necessity to consolidate the loans as originally proposed by the municipality

2. The Comptroller is requested to intimate to the President the amount of annual instal-ment due to Govt in respect of the new loan and the other loans referred to above.

3. The President is requested to see that necessary provision is made in the future budgets of the municipality for payment of the instalments due in respect of all the loans taken from Govt.

4 Govt observe that this method of raising a further loan to pay off the instalments on old loans is unsatisfactory and cannot be countenanced any further. The Municipal should take steps immediately to improve its resources so as to be able to discharge its Contractual Obligations without Difficulty

20/8/32

Chief Secy to Govt

15/8

To

WD 0255—GPB—10 000—23 8 32

The President City Municipal Corporation (thro Fin Secy)

PROCEEDINGS OF THE GOVERNMENT OF HIS HIGHNESS
THE MAHARAJA OF MYSORE

Read –

Correspondence ending with letter No. G.T. 2393 dated the 26th June 1934 from the President, City Municipal Council, Mysore requesting reconsideration of the order of Government declining to consolidate all loans taken by the Municipality from Government into a single loan at a cheaper rate of interest.

2. Letter No. G.T. 94 dated the 13th July 1934 from the same officer, requesting that, for reasons stated, Government may sanction a fresh loan, for adjusting the loan instalments of Rs. 43085 and Rs. 44665 due by the Municipality for the years 1933-34 and 1934-35.

Order No. L 1825-6/Mul 175-33-5

Dated, Bangalore, 11th September 1934.
13.

On a reconsideration of the points urged by the Municipal Council, Government are pleased to order as follows.-

(i) That a loan of Rs. 88000/- be given by Government to the Municipality for adjusting the loan instalments due to Government by the Municipality for the years 1933-34 and 1934-35 the loan carrying interest at 5 per cent and being repayable in 10 years.

(ii) That the periods of repayment of the loans for ~~saving~~ tarring roads viz., Rs. 2,00,000/- and Rs. 50,000/- sanctioned in Government Order No. L. 7631-2 Ml. 301-29-6 dated the 22nd April 1930 No. L. 8491-2/Ml. 80-31-6 dated the 23rd June 1932, respectively, be extended from 10 to 15 years.

2. The Comptroller is requested to intimate to the President the amount of annual instalment due to Government in respect of the new loan and the other loans referred to above.

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above.

3. The President is requested to see that necessary provision is made in the future budgets of the Municipality for payment of the instalment due in respect of all the loans taken from Government.

4. Government observe that this method of raising a further loan to pay off the instalments on old loans is unsatisfactory and cannot be countenanced any further. The Unicipal Council should take steps immediately to improve its resources so as to be able to discharge its contractual obligations without difficulty.

Asst. Chief Secretary to Government.

To

The President, City Municipal Council, Mysore,

The Comptroller to Government
through Financial Secretariat.

Serial No

B note to be connected file

NOTE—Contn Sheet

WD 01955—GPB—22 500—12 6-34

OFFICE OF THE COMPTROLLER TO THE GOVERNMENT
OF HIS HIGHNESS THE MAHARAJA OF MYSORE

No
Loans 341

Bangalore dated 24th October 1934

From

A N RAGHAVACHAR Esq M
Comptroller to the Government of
His Highness the Maharaja of Mysore
Bangalore

To

The President
City Municipal Council
M y s o r e

Sir,

Adverting to Government Order No L 1825-6/A 1 175-33-5 dated 11th September 34 sanctioning a loan of Rs 88 000/- to Mysore City Municipal Coubcil I have the honor to state that the amount to be treated as loan will be Rs 71 793-14-6 as noted in the margin and to request you to kindly arrange to execute an agreement for this amount at an early date

Year	Amount to be treated as loan
1933-34	Rs 30 242 9 11
1934-35	41 551 4 7
Total	71 793 14 6

The agreement when executed may be sent to the Deputy Commissioner Mysore District for safe custody under intimation to this office This amount of Rupees 71 793-14-6 represents only sums due towards principal Hence it is presumed that the Municipality will pay the amount of interest due in 1934-35 as they have done in 1933- 4

The amount of annual instalment for this new loan of Rs 71 793-14-6 and the two old loans referred to in the 2nd para of the Government Order is noted below for information and regulating the future payments

Loan amount	Amount of annual instalment	
Rs 2 00 000 0 0	Rs 20,592 0 6	
50 000 0 0	5 148 0 0	
71 793 14 6	9 524 14 6	Commencing from 30-6-35 1st interest on the 1 t instalment of Rupees 30 242-0-11 from 30-6-34 i s to be paid on 30-6-35

I have the honor to be

(Sd) V S Subba Rao
Assistant Comptroller

C o p y

Superintendent Records
Comptroller s Office

DRAFT SUBMISSION NOTE.

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SUBJECT: Proposal to grant to the Mysore City Municipality a loan of Rs.88,000 at 5½% repayable in 10 years, and to extend the period of repayment of the loans for tarring roads already sanctioned, from 10 years to 15 years.

.....

Loans amounting to Rs. 6,25,000

Several loans ~~aggregating~~ ~~to~~ Rs. 6,25,000 in all, given out of State Funds for improvement works in the ~~Mysore~~ City ~~Municipality~~, are outstanding against the Municipal Council. As the amount payable annually towards the repayment of these loans formed an appreciable part of the normal revenues of the Municipal Council, ~~it~~ was represented in August 1933 that all the loans, exclusive of the loan of Rs. one lakh sanctioned on 8th July 1933 for the improvement of water supply, be consolidated into a single loan repayable in 15 years and carrying interest ~~at the current rate~~. The request was negatived, as Government considered it inexpedient to reduce the rates of interest already accepted ~~and as~~ they themselves were paying comparatively high rates of interest on the loans raised by them.

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The Municipal Council thereupon request that as it was finding it difficult to balance its budget while keeping up the prescribed balance in the Treasury, recovery of the loan instalments amounting to Rs.43,085 and Rs.44,665 respectively, payable during

P.T.O.

1933-34 and 1934-35, be deferred, the two sums being treated as fresh loans carrying interest at 5% and repayable in 10 equated annual instalments.

The matter was discussed at a meeting of the Municipal President, the Financial Secretary and the Chief Secretary and the following conclusions were arrived at -

(i) That a fresh loan of Rs.88,000 be given by Government to the Municipal Council for adjustment of the loan instalments due by the latter for the years 1933-34 and 1934-35, the loan to be repayable in 10 years and carrying interest at ½%

(ii) That the period of the two loans taken by the Municipality for tarring roads, viz., Rs.2,00,000 and Rs.50,000 be extended from 10 to 15 years.

The above arrangements have been agreed to by the First and Second Members of Council and may be graciously approved.

DEWAN.

TSS.

pp 1-27